Current Event Sample Project

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CVS Cigarette Ban Will Drive Away $2 Billion in Sales

The Company CVS Caremark announced in February of 2014 that it would be eliminating the sale of cigarettes in all of its 7700 stores by October of 2014. With that decision, the company is facing a financial loss of 2 billion dollars. Despite losing profit from cigarette sales, the company indicates that it is not fearful of the loss, since it makes 126 billion a year. There is concern that the profit losses may be larger than expected since tobacco users will often purchase other items when entering the store.

Clearly this decision can have many potential effects, both good and bad. The CVS Corporation faces large potential losses. Although the company perceives its tobacco sale profits as only a small portion of its overall gains, it seems likely that they have underestimated the amount. It is likely that smokers will stop using CVS stores all together, increasing the losses significantly. Despite the financial impact, the personal, social, and potentially global impacts are of a much more positive nature. Tobacco products are incredibly harmful to human health and the environment, thus it seems reasonable to conclude that their decision could deter people from smoking and/or help them quit.

The decision to remove tobacco products from their store is an incredibly important one. I anticipate that this could pave the way for other corporations to remove tobacco products as well and potentially kick start a much stronger anti-tobacco effort than this country has ever seen. By decreasing access to tobacco, the hope would be that we decrease use. I fully support the CVS Corporation’s decision to eliminate these products.